

# COMMITTEE REPORT

## MADAM PRESIDENT:

**The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 20, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1           Page 1, delete lines 1 through 17, begin a new paragraph and insert:  
2           "SECTION 1. IC 6-1.1-18-23.5 IS ADDED TO THE INDIANA  
3           CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
4           [EFFECTIVE JULY 1, 2008]: **Sec. 23.5. A public utility company**  
5           **may file an amended personal property tax return for the public**  
6           **utility's personal property in the manner specified in**  
7           **IC 6-1.1-3-7.5.**  
8           SECTION 2. IC 6-3.5-1.1-26, AS ADDED BY P.L.224-2007,  
9           SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10          UPON PASSAGE]: Sec. 26. (a) A county council may impose a tax  
11          rate under this section to provide property tax relief to political  
12          subdivisions in the county. A county council is not required to impose  
13          any other tax before imposing a tax rate under this section.  
14          (b) A tax rate under this section may be imposed in increments of  
15          five hundredths of one percent (0.05%) determined by the county  
16          council. A tax rate under this section may not exceed one percent (1%).  
17          (c) A tax rate under this section is in addition to any other tax rates  
18          imposed under this chapter and does not affect the purposes for which  
19          other tax revenue under this chapter may be used.  
20          (d) If a county council adopts an ordinance to impose or increase a

1 tax rate under this section, the county auditor shall send a certified  
2 copy of the ordinance to the department and the department of local  
3 government finance by certified mail.

4 (e) A tax rate under this section may be imposed, increased,  
5 decreased, or rescinded by a county council at the same time and in the  
6 same manner that the county council may impose or increase a tax rate  
7 under section 24 of this chapter.

8 (f) Tax revenue attributable to a tax rate under this section may be  
9 used for any combination of the following purposes, as specified by  
10 ordinance of the county council:

11 (1) The tax revenue may be used to provide local property tax  
12 replacement credits at a uniform rate to all taxpayers in the  
13 county. Any tax revenue that is attributable to the tax rate under  
14 this section and that is used to provide local property tax  
15 replacement credits under this subdivision shall be distributed to  
16 civil taxing units and school corporations in the county in the  
17 same manner that certified distributions are allocated as property  
18 tax replacement credits under section 12 of this chapter. The  
19 department of local government finance shall provide each county  
20 auditor with the amount of property tax replacement credits that  
21 each civil taxing unit and school corporation in the auditor's  
22 county is entitled to receive under this subdivision. The county  
23 auditor shall then certify to each civil taxing unit and school  
24 corporation the amount of property tax replacement credits the  
25 civil taxing unit or school corporation is entitled to receive under  
26 this subdivision during that calendar year.

27 (2) The tax revenue may be used to uniformly increase the  
28 homestead credit percentage in the county. The additional  
29 homestead credits shall be treated for all purposes as property tax  
30 levies. The additional homestead credits do not reduce the basis  
31 for determining the state homestead credit under IC 6-1.1-20.9.  
32 The additional homestead credits shall be applied to the net  
33 property taxes due on the homestead after the application of all  
34 other assessed value deductions or property tax deductions and  
35 credits that apply to the amount owed under IC 6-1.1. The  
36 department of local government finance shall determine the  
37 additional homestead credit percentage for a particular year based  
38 on the amount of tax revenue that will be used under this

subdivision to provide additional homestead credits in that year.

(3) The tax revenue may be used to provide local property tax replacement credits at a uniform rate for all qualified residential property (as defined in IC 6-1.1-20.6-4) in the county. Any tax revenue that is attributable to the tax rate under this section and that is used to provide local property tax replacement credits under this subdivision shall be distributed to civil taxing units and school corporations in the county in the same manner that certified distributions are allocated as property tax replacement credits under section 12 of this chapter. The department of local government finance shall provide each county auditor with the amount of property tax replacement credits that each civil taxing unit and school corporation in the auditor's county is entitled to receive under this subdivision. The county auditor shall then certify to each civil taxing unit and school corporation the amount of property tax replacement credits the civil taxing unit or school corporation is entitled to receive under this subdivision during that calendar year.

**(4) Notwithstanding subdivisions (1) through (3), any tax revenue from a tax rate imposed under this section in Lake County may be distributed only as provided in subdivision (5), (6), or (7), as specified by ordinance of the Lake County council.**

**(5) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax revenue from the tax rate under this section is used to proportionately reduce all property tax levies imposed by the county. The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor, the county treasurer, the county council, and the county executive the amount of tax revenue under this section that will be used to reduce each property tax levy imposed by the county. Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county shall be treated for all purposes as property tax levies.**

**(6) This subdivision applies only to Lake County. The Lake County council may adopt an ordinance providing that the tax**

1 revenue from the tax rate under this section is used as follows  
2 to provide local property tax replacement credits in Lake  
3 County:

4 (A) The tax revenue under this section that is collected  
5 from taxpayers within a particular municipality in Lake  
6 County (as determined by the department based on the  
7 department's best estimate) shall be used only to provide  
8 a local property tax credit against property taxes imposed  
9 by that municipality. The local property tax credit within  
10 a particular municipality shall be applied at a uniform rate  
11 for all taxpayers within that municipality.

12 (B) The tax revenue under this section that is collected  
13 from taxpayers within the unincorporated area of Lake  
14 County (as determined by the department) shall be used  
15 only to provide a local property tax credit against property  
16 taxes imposed by the county. The local property tax credit  
17 for the unincorporated area of Lake County shall be  
18 available only to those taxpayers within the  
19 unincorporated area of the county and shall be applied at  
20 a uniform rate for all taxpayers within the unincorporated  
21 area of the county.

22 (C) The department of local government finance, with the  
23 assistance of the budget agency, shall certify to the county  
24 auditor the amount of property tax replacement credits  
25 that the county and each municipality in the county are  
26 entitled to receive under this subdivision during the  
27 calendar year. The county auditor shall then certify these  
28 credit amounts to the county and each municipality in the  
29 county. The county auditor also shall certify these credit  
30 amounts to the county treasurer.

31 (D) Except as provided in subsection (g), the local property  
32 tax replacement credits shall be treated for all purposes as  
33 property tax levies.

34 (7) This subdivision applies only to Lake County. The Lake  
35 County council may adopt an ordinance providing that the tax  
36 revenue from the tax rate under this section is used as follows  
37 in Lake County:

38 (A) Sixty percent (60%) of the tax revenue under this

section shall be used as provided in subdivision (6).

**(B) Forty percent (40%) of the tax revenue under this section shall be used to provide property tax levy reductions as follows:**

**(i) The tax revenue distributed under this clause shall be used to reduce the property tax levies of the county and each township and municipality in the county.**

**(ii) The percentage of the tax revenue distributed under this clause that shall be distributed to the county or to a particular township or municipality for property tax levy reductions under this subdivision is equal to the percentage determined by dividing the population of the county, township, or municipality by the sum of the total population of the county, each township in the county, and each municipality in the county.**

**(iii) The tax revenue distributed to the county or a township or municipality under this clause shall be used to proportionately reduce all property tax levies of the county, township, or municipality.**

**(iv) The department of local government finance, with the assistance of the budget agency, shall certify to the county auditor and the fiscal body of the county and each township and municipality in the county the amount of tax revenue under this section that will be used under this clause to reduce each property tax levy imposed by the county, township, or municipality.**

**(v) Except as provided in subsection (g), the tax revenue under this section that is used to reduce the property tax levies imposed by the county, a township, or a municipality shall be treated for all purposes as property tax levies.**

**(g) The tax rate under this section and the tax revenue attributable to the tax rate under this section shall not be considered for purposes of computing:**

**(1) the maximum income tax rate that may be imposed in a county under section 2 of this chapter or any other provision of this chapter;**

**(2) the maximum permissible property tax levy under STEP**

1 EIGHT of IC 6-1.1-18.5-3(b); or

2 (3) the total county tax levy under IC 6-1.1-21-2(g)(3),  
3 IC 6-1.1-21-2(g)(4), or IC 6-1.1-21-2(g)(5).

4 (h) Tax revenue under this section shall be treated as a part of the  
5 receiving civil taxing unit's or school corporation's property tax levy for  
6 that year for purposes of fixing the budget of the civil taxing unit or  
7 school corporation and for determining the distribution of taxes that are  
8 distributed on the basis of property tax levies.

9 (i) The department of local government finance and the department  
10 of state revenue may take any actions necessary to carry out the  
11 purposes of this section.

12 SECTION 3. IC 6-3.5-6-32, AS ADDED BY P.L.224-2007,  
13 SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 UPON PASSAGE]: Sec. 32. (a) A county income tax council may  
15 impose a tax rate under this section to provide property tax relief to  
16 political subdivisions in the county. A county income tax council is not  
17 required to impose any other tax before imposing a tax rate under this  
18 section.

19 (b) A tax rate under this section may be imposed in increments of  
20 five hundredths of one percent (0.05%) determined by the county  
21 income tax council. A tax rate under this section may not exceed one  
22 percent (1%).

23 (c) A tax rate under this section is in addition to any other tax rates  
24 imposed under this chapter and does not affect the purposes for which  
25 other tax revenue under this chapter may be used.

26 (d) If a county income tax council adopts an ordinance to impose or  
27 increase a tax rate under this section, the county auditor shall send a  
28 certified copy of the ordinance to the department and the department  
29 of local government finance by certified mail.

30 (e) A tax rate under this section may be imposed, increased,  
31 decreased, or rescinded at the same time and in the same manner that  
32 the county income tax council may impose or increase a tax rate under  
33 section 30 of this chapter.

34 (f) Tax revenue attributable to a tax rate under this section may be  
35 used for any combination of the following purposes, as specified by  
36 ordinance of the county income tax council:

37 (1) The tax revenue may be used to provide local property tax  
38 replacement credits at a uniform rate to civil taxing units and

1 school corporations in the county. The amount of property tax  
 2 replacement credits that each civil taxing unit and school  
 3 corporation in a county is entitled to receive under this  
 4 subdivision during a calendar year equals the product of:

5 (A) the tax revenue attributable to a tax rate under this section  
 6 that is dedicated to property tax replacement credits under this  
 7 subdivision; multiplied by

8 (B) the following fraction:

9 (i) The numerator of the fraction equals the total property  
 10 taxes being collected in the county by the civil taxing unit or  
 11 school corporation during the calendar year of the  
 12 distribution.

13 (ii) The denominator of the fraction equals the sum of the  
 14 total property taxes being collected in the county by all civil  
 15 taxing units and school corporations of the county during the  
 16 calendar year of the distribution.

17 The department of local government finance shall provide each  
 18 county auditor with the amount of property tax replacement  
 19 credits that each civil taxing unit and school corporation in the  
 20 auditor's county is entitled to receive under this subdivision. The  
 21 county auditor shall then certify to each civil taxing unit and  
 22 school corporation the amount of property tax replacement credits  
 23 the civil taxing unit or school corporation is entitled to receive  
 24 under this subdivision during that calendar year. The county  
 25 auditor shall also certify these distributions to the county  
 26 treasurer. Except as provided in subsection (g), the local property  
 27 tax replacement credits shall be treated for all purposes as  
 28 property tax levies.

29 (2) The tax revenue may be used to uniformly increase the  
 30 homestead credit percentage in the county. The additional  
 31 homestead credits shall be treated for all purposes as property tax  
 32 levies. The additional homestead credits do not reduce the basis  
 33 for determining the state homestead credit under IC 6-1.1-20.9.  
 34 The additional homestead credits shall be applied to the net  
 35 property taxes due on the homestead after the application of all  
 36 other assessed value deductions or property tax deductions and  
 37 credits that apply to the amount owed under IC 6-1.1. The  
 38 department of local government finance shall determine the

1 additional homestead credit percentage for a particular year based  
 2 on the amount of tax revenue that will be used under this  
 3 subdivision to provide additional homestead credits in that year.

4 (3) The tax revenue may be used to provide local property tax  
 5 replacement credits at a uniform rate for all qualified residential  
 6 property (as defined in IC 6-1.1-20.6-4) in the county. The  
 7 amount of property tax replacement credits that each civil taxing  
 8 unit and school corporation in a county is entitled to receive under  
 9 this subdivision during a calendar year equals the product of:

10 (A) the tax revenue attributable to a tax rate under this section  
 11 that is dedicated to property tax replacement credits under this  
 12 subdivision; multiplied by

13 (B) the following fraction:

14 (i) The numerator of the fraction equals the total property  
 15 taxes being collected in the county by the civil taxing unit or  
 16 school corporation during the calendar year of the  
 17 distribution.

18 (ii) The denominator of the fraction equals the sum of the  
 19 total property taxes being collected in the county by all civil  
 20 taxing units and school corporations of the county during the  
 21 calendar year of the distribution.

22 The department of local government finance shall provide each  
 23 county auditor with the amount of property tax replacement  
 24 credits that each civil taxing unit and school corporation in the  
 25 auditor's county is entitled to receive under this subdivision. The  
 26 county auditor shall then certify to each civil taxing unit and  
 27 school corporation the amount of property tax replacement credits  
 28 the civil taxing unit or school corporation is entitled to receive  
 29 under this subdivision during that calendar year. The county  
 30 auditor shall also certify these distributions to the county  
 31 treasurer. Except as provided in subsection (g), the local property  
 32 tax replacement credits shall be treated for all purposes as  
 33 property tax levies.

34 **(4) Notwithstanding subdivisions (1) through (3), any tax**  
 35 **revenue from a tax rate imposed under this section in Lake**  
 36 **County may be distributed only as provided in subdivision (5),**  
 37 **(6), or (7), as specified by ordinance of the Lake County**  
 38 **council.**



1           **(5) This subdivision applies only to Lake County. The Lake**  
2           **County council may adopt an ordinance providing that the tax**  
3           **revenue from the tax rate under this section is used to**  
4           **proportionately reduce all property tax levies imposed by the**  
5           **county. The department of local government finance, with the**  
6           **assistance of the budget agency, shall certify to the county**  
7           **auditor, the county treasurer, the county council, and the**  
8           **county executive the amount of tax revenue under this section**  
9           **that will be used to reduce each property tax levy imposed by**  
10          **the county. Except as provided in subsection (g), the tax**  
11          **revenue under this section that is used to reduce the property**  
12          **tax levies imposed by the county shall be treated for all**  
13          **purposes as property tax levies.**

14          **(6) This subdivision applies only to Lake County. The Lake**  
15          **County council may adopt an ordinance providing that the tax**  
16          **revenue from the tax rate under this section is used as follows**  
17          **to provide local property tax replacement credits in Lake**  
18          **County:**

19               **(A) The tax revenue under this section that is collected**  
20               **from taxpayers within a particular municipality in Lake**  
21               **County (as determined by the department based on the**  
22               **department's best estimate) shall be used only to provide**  
23               **a local property tax credit against property taxes imposed**  
24               **by that municipality. The local property tax credit within**  
25               **a particular municipality shall be applied at a uniform rate**  
26               **for all taxpayers within that municipality.**

27               **(B) The tax revenue under this section that is collected**  
28               **from taxpayers within the unincorporated area of Lake**  
29               **County (as determined by the department) shall be used**  
30               **only to provide a local property tax credit against property**  
31               **taxes imposed by the county. The local property tax credit**  
32               **for the unincorporated area of Lake County shall be**  
33               **available only to those taxpayers within the**  
34               **unincorporated area of the county and shall be applied at**  
35               **a uniform rate for all taxpayers within the unincorporated**  
36               **area of the county.**

37               **(C) The department of local government finance, with the**  
38               **assistance of the budget agency, shall certify to the county**

1 auditor the amount of property tax replacement credits  
2 that the county and each municipality in the county are  
3 entitled to receive under this subdivision during the  
4 calendar year. The county auditor shall then certify these  
5 credit amounts to the county and each municipality in the  
6 county. The county auditor shall also certify these credit  
7 amounts to the county treasurer.

8 (D) Except as provided in subsection (g), the local property  
9 tax replacement credits shall be treated for all purposes as  
10 property tax levies.

11 (7) This subdivision applies only to Lake County. The Lake  
12 County council may adopt an ordinance providing that the tax  
13 revenue from the tax rate under this section is used as follows  
14 in Lake County:

15 (A) Sixty percent (60%) of the tax revenue under this  
16 section shall be used as provided in subdivision (6).

17 (B) Forty percent (40%) of the tax revenue under this  
18 section shall be used to provide property tax levy  
19 reductions as follows:

20 (i) The tax revenue distributed under this clause shall be  
21 used to reduce the property tax levies of the county and  
22 each township and municipality in the county.

23 (ii) The percentage of the tax revenue distributed under  
24 this clause that shall be distributed to the county or to a  
25 particular township or municipality for property tax  
26 levy reductions under this subdivision is equal to the  
27 percentage determined by dividing the population of the  
28 county, township, or municipality by the sum of the total  
29 population of the county, each township in the county,  
30 and each municipality in the county.

31 (iii) The tax revenue distributed to the county or a  
32 township or municipality under this clause shall be used  
33 to proportionately reduce all property tax levies of the  
34 county, township, or municipality.

35 (iv) The department of local government finance, with  
36 the assistance of the budget agency, shall certify to the  
37 county auditor and the fiscal body of the county and each  
38 township and municipality in the county the amount of

1           **tax revenue under this section that will be used under**  
 2           **this clause to reduce each property tax levy imposed by**  
 3           **the county, township, or municipality.**

4           **(v) Except as provided in subsection (g), the tax revenue**  
 5           **under this section that is used to reduce the property tax**  
 6           **levies imposed by the county, a township, or a**  
 7           **municipality shall be treated for all purposes as property**  
 8           **tax levies.**

9           (g) The tax rate under this section shall not be considered for  
 10          purposes of computing:

11           (1) the maximum income tax rate that may be imposed in a county  
 12           under section 8 or 9 of this chapter or any other provision of this  
 13           chapter; or

14           (2) the maximum permissible property tax levy under STEP  
 15           EIGHT of IC 6-1.1-18.5-3(b).

16           (h) Tax revenue under this section shall be treated as a part of the  
 17          receiving civil taxing unit's or school corporation's property tax levy for  
 18          that year for purposes of fixing the budget of the civil taxing unit or  
 19          school corporation and for determining the distribution of taxes that are  
 20          distributed on the basis of property tax levies.

21           (i) The department of local government finance and the department  
 22          of state revenue may take any actions necessary to carry out the  
 23          purposes of this section.

24           (j) Notwithstanding any other provision, in Lake County the county  
 25          council (and not the county income tax council) is the entity authorized  
 26          to take actions concerning the tax rate under this section.

27          SECTION 4. IC 13-21-3-21 IS AMENDED TO READ AS  
 28          FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. Before the board of  
 29          a district may adopt an annual budget, the budget must be:

30           (1) approved by the department of local government finance; ~~and~~

31           (2) sent to:

32           (A) the executive; and

33           (B) the fiscal body;

34          of each county and municipality located within the district as a  
 35          matter of record; **and**

36           **(3) approved by the fiscal body of each county in which the**  
 37           **district is located, in the case of annual budgets for 2009 and**  
 38           **thereafter.**

SECTION 5. IC 20-26-5-32 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 32. (a) This section applies only to a school corporation that has a governing body consisting entirely of elected members.**

**(b) If a statute authorizes a school corporation to borrow money by issuing bonds, notes, or warrants, the governing body of the school corporation may authorize the school corporation to borrow the money by obtaining a loan from a financial institution under that statute, instead of issuing the bonds, notes, or warrants.**

**(c) Except as provided in subsection (b), this section does not excuse a school corporation from complying with any laws concerning:**

- (1) the authority to borrow money;**
- (2) the maximum amount of money that may be borrowed for a particular purpose;**
- (3) approval of the borrowing; or**
- (4) the right of taxpayers to object to the borrowing.**

**(d) The maximum amount of loans from financial institutions to a particular school corporation under this section may not exceed one million dollars (\$1,000,000).**

SECTION 6. IC 36-1-4-20 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 20. (a) This section applies only to a political subdivision that has a fiscal body consisting entirely of elected members.**

**(b) If a statute authorizes a political subdivision to borrow money by issuing bonds, notes, or warrants, the fiscal body of the political subdivision may authorize the political subdivision to borrow the money by obtaining a loan from a financial institution under that statute, instead of issuing the bonds, notes, or warrants.**

**(c) Except as provided in subsection (b), this section does not excuse a political subdivision from complying with any laws concerning:**

- (1) the authority to borrow money;**
- (2) the maximum amount of money that may be borrowed for a particular purpose;**
- (3) approval of the borrowing; or**

1           **(4) the right of taxpayers to object to the borrowing.**

2           **(d) The maximum amount of loans from financial institutions to**  
 3           **a particular political subdivision under this section may not exceed**  
 4           **one million dollars (\$1,000,000).**

5           SECTION 7. IC 36-8-13-4.6 IS AMENDED TO READ AS  
 6           FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4.6. (a) For townships  
 7           and municipalities that elect to have the township provide fire  
 8           protection and emergency services under section 3(b) of this chapter,  
 9           the department of local government finance shall adjust each  
 10          township's and each municipality's maximum permissible levy in the  
 11          year following the year in which the change is elected, as determined  
 12          under IC 6-1.1-18.5-3, to reflect the change from providing fire  
 13          protection under a contract between the municipality and the township  
 14          to allowing the township to impose a property tax levy on the taxable  
 15          property located within the corporate boundaries of each municipality.  
 16          Each municipality's maximum permissible property tax levy shall be  
 17          reduced by the amount of the municipality's property tax levy that was  
 18          imposed by the municipality to meet the obligations to the township  
 19          under the fire protection contract. The township's maximum  
 20          permissible property tax levy shall be increased by the product of:

21           (1) ~~one and five-hundredths (1.05);~~ **the assessed value growth**  
 22           **quotient determined under IC 6-1.1-18.5-2 for the ensuing**  
 23           **calendar year;** multiplied by

24           (2) the amount the township received:

25                   (A) in the year in which the change is elected; and

26                   (B) as fire protection contract payments from all municipalities  
 27                   whose levy is decreased under this section.

28           (b) For purposes of determining a township's or municipality's  
 29           maximum permissible ad valorem property tax levy under  
 30           IC 6-1.1-18.5-3 for years following the first year after the year in which  
 31           the change is elected, a township's or municipality's maximum  
 32           permissible ad valorem property tax levy is the levy after the  
 33           adjustment made under subsection (a).

34           SECTION 8. IC 36-8-13-4.7, AS AMENDED BY P.L.224-2007,  
 35           SECTION 130, IS AMENDED TO READ AS FOLLOWS  
 36           [EFFECTIVE JULY 1, 2008]: Sec. 4.7. (a) For a township that elects  
 37           to have the township provide fire protection and emergency services  
 38           under section 3(c) of this chapter, the department of local government

1 finance shall adjust the township's maximum permissible levy in the  
 2 year following the year in which the change is elected, as determined  
 3 under IC 6-1.1-18.5-3, to reflect the change from providing fire  
 4 protection or emergency services under a contract between the  
 5 municipality and the township to allowing the township to impose a  
 6 property tax levy on the taxable property located within the corporate  
 7 boundaries of each municipality. For the ensuing calendar year, the  
 8 township's maximum permissible property tax levy shall be increased  
 9 by the product of:

10 (1) ~~one and five-hundredths (1.05);~~ **the assessed value growth**  
 11 **quotient determined under IC 6-1.1-18.5-2 for the ensuing**  
 12 **calendar year;** multiplied by

13 (2) the amount the township contracted or billed to receive,  
 14 regardless of whether the amount was collected:

15 (A) in the year in which the change is elected; and

16 (B) as fire protection or emergency service payments from the  
 17 municipalities or residents of the municipalities covered by the  
 18 election under section 3(c) of this chapter.

19 The maximum permissible levy for a general fund or other fund of a  
 20 municipality covered by the election under section 3(c) of this chapter  
 21 shall be reduced for the ensuing calendar year to reflect the change to  
 22 allowing the township to impose a property tax levy on the taxable  
 23 property located within the corporate boundaries of the municipality.  
 24 The total reduction in the maximum permissible levies for all electing  
 25 municipalities must equal the amount that the maximum permissible  
 26 levy for the township is increased under this subsection for contracts  
 27 or billings, regardless of whether the amount was collected, less the  
 28 amount actually paid from sources other than property tax revenue.

29 (b) For purposes of determining a township's and each  
 30 municipality's maximum permissible ad valorem property tax levy  
 31 under IC 6-1.1-18.5-3 for years following the first year after the year in  
 32 which the change is elected, a township's and each municipality's  
 33 maximum permissible ad valorem property tax levy is the levy after the  
 34 adjustment made under subsection (a).

35 (c) The township may use the amount of a maximum permissible  
 36 property tax levy computed under this section in setting budgets and  
 37 property tax levies for any year in which the election in section 3(c) of  
 38 this chapter is in effect. A county board of tax adjustment (before

January 1, 2009) or the county board of tax and capital projects review (after December 31, 2008) may not reduce a budget or tax levy solely because the budget or levy is based on the maximum permissible property tax levy computed under this section.

(d) Section 4.6 of this chapter does not apply to a property tax levy or a maximum property tax levy subject to this section.

SECTION 9. IC 36-9-14.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the county fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the county.

(b) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which the county option income tax or the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	<del>\$0.05</del> <b>\$0.0167</b>
1 or more	<del>\$0.10</del> <b>\$0.0333</b>

(c) The maximum property tax rate that may be imposed for property taxes first due and payable during a particular year in a county in which neither the county option income tax nor the county adjusted gross income tax is in effect on January 1 of that year, depends upon the number of years the county has previously imposed a tax under this chapter and is determined under the following table:

NUMBER OF YEARS	TAX RATE PER \$100 OF ASSESSED VALUATION
0	<del>\$0.04</del> <b>\$0.0133</b>
1 or more	<del>\$0.07</del> <b>\$0.0233</b>

SECTION 10. IC 36-9-15.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6. (a) Except as provided in subsection (c), the municipal fiscal body may provide money for the cumulative capital development fund by levying a tax in compliance with IC 6-1.1-41 on the taxable property in the

1 municipality.

2 (b) The maximum property tax rate that may be imposed for  
3 property taxes first due and payable during a particular year in a  
4 municipality that is either wholly or partially located in a county in  
5 which the county option income tax or the county adjusted gross  
6 income tax is in effect on January 1 of that year depends upon the  
7 number of years the municipality has previously imposed a tax under  
8 this chapter and is determined under the following table:

9	NUMBER	TAX RATE PER \$100
10	OF YEARS	OF ASSESSED
11		VALUATION
12	0	<del>\$0.05</del> <b>\$0.0167</b>
13	1	<del>\$0.10</del> <b>\$0.0333</b>
14	2 or more	<del>\$0.15</del> <b>\$0.05</b>

15 (c) The maximum property tax rate that may be imposed for  
16 property taxes first due and payable during a particular year in a  
17 municipality that is wholly located in a county in which neither the  
18 county option income tax nor the county adjusted gross income tax is  
19 in effect on January 1 of that year depends upon the number of years  
20 the municipality has previously imposed a tax under this chapter and  
21 is determined under the following table:

22	NUMBER	TAX RATE PER \$100
23	OF YEARS	OF ASSESSED
24		VALUATION
25	0	<del>\$0.04</del> <b>\$0.0133</b>
26	1	<del>\$0.08</del> <b>\$0.0267</b>
27	2 or more	<del>\$0.12</del> <b>\$0.04</b>

28 SECTION 11. [EFFECTIVE JULY 1, 2008] **IC 36-8-13-4.6,**  
29 **IC 36-8-13-4.7, IC 36-9-14.5-6, and IC 36-9-15.5-6, all as amended**  
30 **by this act, apply only to property taxes first due and payable after**  
31 **December 31, 2008.**

32 SECTION 12. [EFFECTIVE JANUARY 1, 2003  
33 (RETROACTIVE)] **(a) This SECTION applies only to an entity that**  
34 **meets all of the following conditions:**

- 35 **(1) The entity is a church or religious society.**  
36 **(2) For the assessment date in 2003:**  
37 **(A) property owned by the entity would have been eligible**  
38 **for exemption from property taxes if the entity had timely**



1 filed an application under IC 6-1.1-11 for property tax  
2 exemption for the property;

3 (B) the entity failed to file a timely application under  
4 IC 6-1.1-11 for property tax exemption for the property;  
5 and

6 (C) the entity's property was subject to taxation.

7 (b) Notwithstanding IC 6-1.1-11 or any other law specifying the  
8 date by which an application for property tax exemption must be  
9 filed to claim an exemption for a particular assessment date, an  
10 entity described in subsection (a) may before July 1, 2008, file with  
11 the county assessor an application for property tax exemption for  
12 the 2003 assessment date.

13 (c) Notwithstanding IC 6-1.1-11 or any other law, an application  
14 for property tax exemption filed under subsection (b) is considered  
15 to be timely filed, and the county assessor shall forward the  
16 application to the county property tax assessment board of appeals  
17 for review. The board shall grant an exemption claimed for the  
18 assessment date in 2003 for property tax exemption if the board  
19 determines that:

20 (1) the entity's application for property tax exemption satisfies  
21 the requirements of this SECTION; and

22 (2) the entity's property was, except for the failure to timely  
23 file an application for property tax exemption, otherwise  
24 eligible for the claimed exemption.

25 (d) If an entity has previously paid the tax liability for property  
26 with respect to the 2003 assessment date and the property is  
27 granted an exemption under this SECTION for the assessment  
28 date, the county auditor shall issue a refund of the property tax  
29 paid by the entity. An entity is not required to apply for any refund  
30 due under this SECTION. The county auditor shall, without an  
31 appropriation being required, issue a warrant to the entity payable  
32 from the county general fund for the amount of the refund, if any,  
33 due the entity. No interest is payable on the refund.

34 (e) This SECTION expires January 1, 2010.

- 1        **SECTION 13. An emergency is declared for this act."**
- 2        Delete page 2.
- 3        Renumber all SECTIONS consecutively.  
(Reference is to SB 20 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 10, Nays 0.

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**Kenley**

**Chairperson**